THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Yes, Sir.

(b) Yes, Sir. Coffee Board had conducted survey during 1970s and identified 11,000 ha. of land as suitable for coffee cultivation in Andhra Pradesh. Coffee Board has since identified another 12,000 ha. of land suitable for extension of coffee cultivation in the tribal/small grower sector.

(c) Coffee Board in its Ninth Plan proposal has recommended to extend support for expansion of coffee in 9,000 ha. in the tribal/small grower sector by providing planting incentive.

Impact of Expanding OGL

2296. SHRIMATI URMILABEN CHIMANBHAI PATEL: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have recently shifted a number of items from Special Import Licence list to the Open General Licence (OGL) and from restricted list to the Special Import Licence list;

(b) if so, the details thereof, item-wise and the approximate duty the Government are likely to earn annually; and

(c) the impact on indigenous industries due to this change?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (c) Yes, Sir, as part of the ongoing process of review of the Export and Import Policy, changes in the Import Policy of a few items have recently been made as per details indicated in Ministry of Commerce Notification No. 23(RE-96) dated 10.2.1997, copies of which are available in the Parliament Library. As the notification has been recently issued, it would be difficult to make any assessment regarding annual duty likely to be earned by Government on account of import of these items or their impact on indigenous industry.

Hurdles in Debt Repayment Mechanism

2297. DR. ALLADI P. RAJKUMAR: Will the Minister of COMMERCE be pleased to state:

(a) whether the Andhra Pradesh and Karnataka Tobacco Farmers' Federation has urged the Prime Minister to direct the Commerce Ministry to remove the hurdles in the debt repayment mechanism to CIS countries and increase the tobacco exporters to these countries to a minimum of 30 billion kg. this year; and

(b) if so, the action taken thereon to tide over the present crisis of surplus tobacco production and promote sales?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Yes Sir, Andhra Pradesh & Karnataka Tobacco Farmers' Federation in their representation have suggested for (i) enhancement of exports quota to Russia under the debt repayment from 20,000 tonnes to 30,000 MTs, and (ii) for removal of hurdles in exports under the debt repayment route.

(b) Under a bilateral perspective plan agreement, the Russian Government allocates rupee repayment funds to facilitate import of Tobacco upto 20,000 metric tonnes from India each year. The perspective Plan is at present operational for the period 1995-97. Some of the steps taken/being taken to assist farmers and to enhance exports include:—

(i) Exploring possibilities of entering into long term supply contracts with the tobacco processing plants in Russia.

(ii) Persuading Russian authorities through bilateral discussions to fully utilise the funds allocated under the rupee repayment funds for pruchase of tobacco from India.

(iii) Facilitating contacts between importers from Russia and other CIS countries with Indian tobacco manufacturers and exporters through visits of trade delegations.

(iv) Permitting stock and sales of tobacco in CIS countries and exports on consignment basis against payment in freely convertible currencies.

(v) Encouraging in the Indian exporters to set up offices in CIS countries.

(vi) Opening of 3 additional auction platforms in Andhra Pradesh to facilitate the growers to sell their produce early.

(vii) Persuading the Indian Tobacco Association, Exporters, manufacturers and other Traders to participate actively in the auctions to absorb the tobacco crop produced.

(viii) Negotiating with tobacco trade to declare a Minimum Guarantee price (MGP) for tobacco purchase which is higher than the Minimum Support Price (MSP) announced by the Government.

(ix) Assisting the tobacco trade in obtaining larger quantum of credit from the financial institutions for making purchases of tobacco.

(x) Participating in trade fairs & exhibitions abroad and arranging buyer-seller meet to enhance tobacco exports.

Trade agreements between India and U.K.

2298. DR. ALLADI P. RAJKUMAR: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the recent visit of the Prime Minister of U.K. has strengthened the trade between the two countries;

(b) whether it is a fact that number of trade agreements were signed between India and UK; and

(c) if so, the details thereof and the extent of trade likely to be strengthened during 1997-98?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (c) During the recent visit to India of the Prime Minister of U.K. with a delegation of businessmen, joint ventures and agreements between private companies from U.K. and India were signed. These joint ventures and agreements included the sectors of insurance, telecommunications, softwares, engineering goods, marketing of real estate development etc. These interactions between the businessmen on either side is expected to result in greater economic and commercial cooperation.

Legal action against Exporters

2299. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have taken a decision to drop legal action against exporters for misusing the value-based advanced licensing scheme;

(b) if so, the reasons therefor;

(c) the names of those exporters who were found involved misusing value-based advanced licensing scheme; and

(d) the action Government propose to take against such exporters?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) The Govt. has announced a scheme permitting reversal of MODVAT Credit on 3.1.97 only against a category of exporters who were found to have availed MODVAT credit in contravention of the VBAL Scheme, with 20% interest per annum for the period the MODVAT was retained by the manufacturer exporter and supporting manufacturer of merchant exporter.

(b) Looking to legal and administrative implications of adjudicating a large